



Hacienda La Puente Unified School District

The Governor's May Revise Budget

Board Meeting
May 11, 2017

GYM

Introduction

- ***Governor Brown released his 2017-18 May Revise Budget (or May Revision) at a press conference held this morning.***

Summary – Recap

The Governor's May Revision states that:

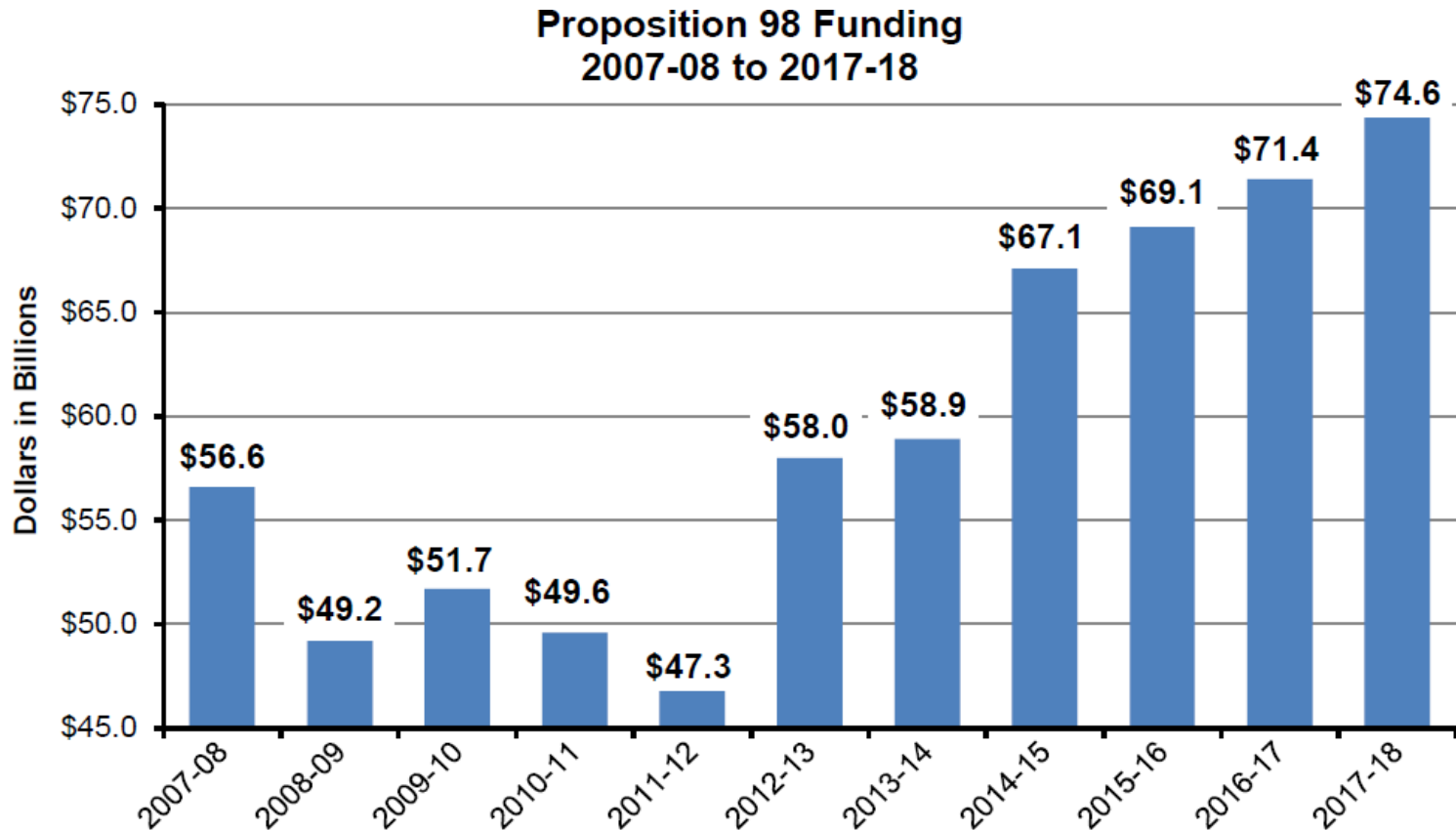
- ❖ The fiscal outlook is modestly improved compared to the January Budget Proposal.
- ❖ Since January, the stock market surged and thus the May Revision reflects higher revenues of \$2.4 billion.
- ❖ But, in the January Budget, the revenue forecast reflected a \$5.8 billion reduction.
- ❖ This means the revenue forecast is still \$3.4 billion less than what was in the Budget signed in June.
- ❖ The following slides are a summary of the May Revision's impact to K-12 Education.

Prop 98 Summary

Changes from January Budget	January Budget	May Revise	Increase <Decrease>
2016-17 Prop 98 Guarantee	\$71.4 billion	\$71.4 billion	\$0
2017-18 Prop 98 Funding	\$73.5 billion	\$74.6 billion	\$1.1 billion
Maintenance Factor	\$1.6 billion	\$.9 billion	<\$.7 billion>

K-12 Education Funding

Prop 98 funding is expected to grow to \$74.6 billion in 2017-18. This is \$27.3 billion more than the 2011-12 level.



Governor's May Revision for K-12

What has changed?	January Budget	May Revise	Increase <Decrease>
Local Control Funding Formula (LCFF) gap closure	\$.7 billion	\$1.4 billion	\$.7 billion
K-12 portion of Prop 39 (2012) – Clean Energy Jobs Act	\$.423 billion	\$.376 billion	<\$.047 billion>
Discretionary one-time funds	\$.29 billion	\$1.04 billion	\$.75 billion
Cost-of-living adjustment (COLA) for categorical programs	\$58.1 million	\$61.3 million	\$3.2 million

LCFF

- ❖ \$ 1.4 billion is proposed to continue the implementation of the Local Control Funding Formula (LCFF).
- ❖ The additional \$.7 billion pays for increasing the cost-of-living adjustment from 1.48% to 1.56%.
- ❖ This also increases the LCFF implementation level from 96% to 97%.

LCFF – cont.

Apportionment Deferrals

- ❖ In the January Budget, the Governor proposed to shift \$859.1 million in LCFF expenditures from June 2017 to July 2017.
- ❖ However, in the May Revision, the Governor proposes to fully eliminate the current-year, one-time deferral.

Discretionary Funds

- ❖ In the May Revision, the Governor is proposing to increase the one-time discretionary funds from \$287 million to more than \$1 billion. This is \$750 million more than was included in the January Budget.
- ❖ This is approximately \$167 per ADA. (The January Budget had approximately \$48 per ADA.)
- ❖ As in prior years, these funds will offset school districts' outstanding mandated cost reimbursement claims on a dollar-for-dollar basis.

Next Steps

What are the next steps?

- ❖ Staff will be attending the School Services' Workshop on the May Revision to learn more about the details.
- ❖ And, the Legislature will now need to weigh in on the State Budget for 2017-18.

Thank you!